ANNUAL REPORT

for the fiscal year
ending March 31, 1986

Nova Scotia Lottery Commission

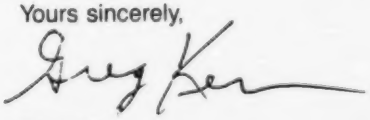
His Honour
The Honourable Alan R. Abraham, C.D.
Lieutenant Governor of the
Province of Nova Scotia
Government House
Halifax, Nova Scotia

Dear Sir:

I have the honour to transmit herewith the Annual Report of the Nova Scotia Lottery Commission for the fiscal year ended March 31, 1986.

I am, Your Honour,

Yours sincerely,



Greg Kerr
Minister

The Honourable Greg Kerr
Minister in charge of
Administration of
The Lottery Act
Province of Nova Scotia
Halifax, Nova Scotia

Dear Sir:

Presented herewith in accordance with Section 15(1) of The Lottery Act, 1976, c.14, s.1, is the Annual Report of the Nova Scotia Lottery Commission for the year ending March 31, 1986.

Respectfully submitted,

D.T. Tobin, C.A.
Chairman

CHAIRMAN'S REPORT

As chairman of the Nova Scotia Lottery Commission, I am pleased to report for the fiscal year ending March 31, 1986, that Nova Scotia's share of the profits from the Atlantic Lottery Corporation totalled $20.1 million. This represents an increase in revenue of $2 million over the previous year.

The Atlantic Lottery Corporation continually assesses the marketplace and develops new games to meet public demand.

The 6/49 lottery introduced in June of 1982 by the Atlantic Lottery Corporation, in co-operation with the Interprovincial Lottery Corporation, is by far the most successful lottery game to date. This year the Corporation realized $64.4 million from the 6/49 game compared to $37.0 million for 1984–85. total lottery sales by the Atlantic Lottery Corporation were $152.7 million with Nova Scotia accounting for $67.1 million or 44 percent.

Mr. Byron Anthony, Deputy Minister of Management Board and Mr. Louis Stephen, Deputy Minister of Culture, Recreation and Fitness represent Nova Scotia on the Board of Directors of the Atlantic Lottery Corporation, with Mr. Anthony serving as Secretary to the Board.

The Lottery Licensing Division of the Commission is responsible for issuing lottery licenses and monitoring all bingos, games of chance and ticket draws. Lottery licenses issued for gaming events that offered prizes over $150 in value totalled 2,019 for 1985–86. This number represents an increase of 701 licenses issued to charitable groups raising money to support their projects and programs over the same period for the previous fiscal year.

The Nova Scotia Lottery Commission realized $1,030,293 in licensing fees for the year, based on 2 percent of the total prize structure offered by the licensees. This represents a substantial increase over the 1984–85 revenue level of $931,065.

During this period the Commission continued the policy of exempting charitable groups from paying licensing fees for ticket draws involving a prize valued at $150 or less. A total of 2,438 permits were issued during 1985–86 for this purpose.

Sport, recreation, cultural and exhibition groups selling A-plus and Provincial Lottery tickets received $424,069 under the government's bonus commission program.

The following pages contain the audited financial statements of the Nova Scotia Lottery Commission for the fiscal year ended March 31, 1986.

Respectfully submitted,

D.T. Tobin, C.A.
Chairman

Nova Scotia
Auditor General

PO Box 793
Halifax, Nova Scotia
B3J 2V2

AUDITOR'S REPORT

To the Chairman and Members of the
Nova Scotia Lottery Commission and to the
Minister of Culture, Recreation and Fitness

I have examined the balance sheet of the Nova Scotia Lottery Commission as at March 31, 1986 and the statement of revenues and expenses for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1986 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

O.P. Cormier, F.C.A.
Auditor General

Halifax, Nova Scotia
September 9, 1986

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA LOTTERY COMMISSION
BALANCE SHEET
AS AT MARCH 31, 1986

ASSETS

	1986	1985
Current		
Cash	$ 6,784	$ 9,958
Due from Atlantic Lottery Corporation Inc.	1,796,410	1,810,008
	1,803,194	1,819,966
Long-term		
Due from Atlantic Lottery Corporation Inc.	275,173	242,648
Investment in Interprovincial Lottery Corporation, at cost (Note 4)	1	1
	275,174	242,649
	$2,078,368	$2,062,615

LIABILITIES AND EQUITY

Current		
Accounts payable	$ 270,047	$ 239,993
Commissions payable	177,921	165,541
Due to Province of Nova Scotia (Note 3)	1,355,227	1,414,433
	1,803,195	1,819,967
Equity in fixed assets of Atlantic Lottery Corporation Inc.	275,173	242,648
	$2,078,368	$2,062,615

APPROVED ON BEHALF OF THE BOARD

Chairman

Member

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA LOTTERY COMMISSION
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 1986

	1986	1985
Revenues		
Income from Atlantic Lottery Corporation Inc.	$20,112,244	$18,103,030
Income from lottery licenses	1,030,293	965,518
Interest on short-term deposits	41,947	32,374
	21,184,484	19,100,922
Expenses		
Advertising	734	—
Bank charges	115	42
Business occupancy tax	922	1,032
Commissions on ticket sales	424,069	615,373
Meetings	177	—
Memberships	669	549
Motor vehicle expenses	16,237	9,970
Office equipment	4,589	5,150
Postage	4,051	5,058
Professional fees	7,800	150
Rent	17,854	17,900
Salaries and employees' benefits	181,920	170,286
Supplies	10,036	8,899
Telephone and telegraph	4,420	4,097
Travel	20,804	16,943
	694,397	855,449
Excess of revenues over expenses	20,490,087	18,245,473
Less: Income from lottery licences collected directly by Province of Nova Scotia	1,030,293	971,585
Net revenue due to the Province	$19,459,794	$17,273,888

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA LOTTERY COMMISSION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1986

1. Authority

The Nova Scotia Lottery Commission was established as a corporation under the Lottery Act proclaimed in 1976. The purpose of the Commission is to develop, organize, undertake, conduct and manage lottery schemes on behalf of the Province of Nova Scotia or on behalf of the Province of Nova Scotia and other provinces that have any agreement with Nova Scotia respecting any such lottery schemes.

2. Accounting Policy

Equipment purchases for the lottery licensing operation are charged to expense in the year of acquisition.

3. Due to Province of Nova Scotia

	1986	1985
Balance, beginning of year	$ 1,414,433	$ 1,961,545
Add: Net revenue due to the Province	19,459,794	17,273,888
	20,874,227	19,235,433
Less: Payments to the Province	19,519,000	17,821,000
Balance, end of year	$ 1,355,227	$ 1,414,433

4. Interprovincial Lottery Corporation

The Interprovincial Lottery Corporation was created by the Provinces to administer the Provincial, Super Loto and Loto 649 lotteries. The Nova Scotia Lottery Commission holds one share in this Corporation on behalf of the Province of Nova Scotia.